REMARKS

Reconsideration of this patent application is respectfully requested.

Claims 1-30 were pending in this application. Claims 1-14 and 18-30 are cancelled without prejudice or disclaimer, claims 15-17 are amended, and claims 31-54 are newly added.

The Examiner again rejected claims 1-6, 8-25 and 27-30 under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 6,701,304 to Leon, and rejected claims 7 and 26 under 35 U.S.C. 103(a) as being unpatentable over Leon. The Examiner has made the rejection final.

The arguments presented previously are repeated and incorporated by reference herein. However, the Examiner is respectfully requested to reconsider the rejections based also on the arguments that are newly advanced below.

Claim 1 recited in part:

> encoding an object by utilizing discernable physical attributes for encoding information regarding said object; and
> **utilizing said encoded information as at least one element for composing a digital watermark for said object.**

The Examiner refers to col. 8, lines 14-23 for purportedly anticipating the last element of claim 1. However, what is actually stated in this portion of Leon is the following:

> The postage labels can also include identifier information (i.e., in an identifier portion of the label) that exhibits special characteristics and that can be used for authenticating the indicia. The identifiers include, for example, fluorescent strips, marks such as watermarks, micro printing, imprints using special ink and/or taggants, and other features, as described below. The identifier information assists in the prevention and detection of fraud, again as described below.

What Leon actually teaches is a postage label system that includes two types of security, an indicia, such as a bar code, and identifiers (e.g., taggants) that can be used for authenticating the indicia. **However, what is not disclosed in Leon is that any information that is represented by his "identifiers" would be used "as at least one element for composing" his indicia.**

Note in Table 1 of Leon in column 11 that all data elements are represented as bar code data, and that some of these information elements are represented as human-readable data.

Note that Leon teaches that taggants can be added to the ink used to print the indicia (see, e.g., column 9, and that identifiers (e.g., a strip of fluorescent ink) can be preprinted on the postage label (see column 10).

Note that beginning in column 11, at line 63, Leon states one or more fields of the indicium can be encoded with a particular encryption algorithm. However, any decoding and/or signature authentication of the encrypted information uses public key of the secure metering device (SMD, see col. 12, lines 8-14).

Significantly, **there is no disclosure in Leon of using any physically discernable attribute of an object, such as one or more taggant characteristics, as an input to any encoding or encrypting process that would form the indicium of Leon.**

There is also no disclosure in Leon of digitally watermarking a barcode, as recited in claim 10 as filed.

In any event, the claims have been revised so as to more succinctly set forth and clarify the claimed subject matter.

Originally filed claim 15 has been clarified by amendment to recite a method of identifying an object that comprises:

> encoding an object by utilizing discernable physical attributes for representing information regarding said object; and
> **utilizing said information as a key to decode data encoded in a digital watermark associated with said object.**

In rejecting claim 15 the Examiner refers to col. 2, lines 24-39 and to col. 13, lines 34-40. What these portions of Leon actually state is as follows. Referring first to column 2::

> The indicia can, for example, be printed on preprinted labels or directly onto mail pieces, be formatted using a modular design, include various data fields, be printed with different types of ink that may include taggants, **be encoded or signed using encryption keys**, and include micro printing and identifiers. The contents of the indicia can include human-readable and machine-readable

> data elements. Human-readable information includes texts and graphics (e.g., date, address, postage amount, and so on) that can be interpreted by an operator without the use of special translation equipment. Machine-readable information includes graphical representations and encoded texts (e.g., bar codes, FIM marks, data matrix, encoded texts, specially formatted texts, unintelligible texts, and others) that are not readily interpreted by the operator. **The postage labels can also include identifier information that exhibits special characteristics and that can be used for authenticating the indicia. The identifiers include, for example, fluorescent strips, marks such as watermarks, micro printing, imprints using special ink and/or taggants, and other features**, as described below. The identifier information assists in the prevention and detection of fraud, again as described below.

Column 13, lines 34-40, states:

> The information detected by these elements is passed to a computer 540 that analyzes, verifies, and authenticates the information retrieved from the postage label. For example, **computer 540 can authenticate a digital signature that is imprinted on the postage label (i.e., using the SMD's public key that is provided in, and detected from the postage label). Computer 540 may also authenticate the postage information by comparing the decoded data with the unencoded data from the postage label.**

What is clearly not stated by Leon is " **utilizing said encoded information as a key to decode data encoded in a digital watermark associated with said object**", where the encoded information is based on "discernable physical attributes" of the object.

It is also made of record that encrypting one or more data fields is not admitted to be equivalent to generating a digital watermark (see the Examiner's Response to Applicant's Argument on page 6 of the most recent office action).

In that claim 15 is not anticipated by Leon, then claims 16-17 are also not anticipated by Leon.

Newly added claim 31 is drawn to a method to associate a marking with an object, and comprises:

> **representing authentication-related information with at least one discernable physical attribute of the object**; and
> inputting the authentication-related information **as one of a plurality of inputs to a process that creates an image having encoded, machine-**

> **readable information, the image being used as the marking that is associated with the object.**

The subject matter of claim 31 is also clearly not expressly disclosed or suggested by Leon. As such, claim 31, and dependent claims 32-46, should be found to be patentable over Leon.

Newly added claim 47 is drawn to an apparatus that comprises:

> a detector for detecting a marking associated with an object, the marking comprising encoded information; and
> **a decoder for decoding the encoded information using a key that comprises information obtained from at least one discernable physical attribute of the object.**

Based on the arguments advanced above, the subject matter of claim 47 is also clearly not expressly disclosed or suggested by Leon. As such, claim 47, and dependent claims 48-54, should be found to be patentable over Leon.

In view of the merely clarifying amendments to the claims, and in view of the arguments advanced above and those made in the Applicant's first response, it is believed that all pending claims as currently presented are in condition for allowance. The mailing of a timely Notice of Allowance is respectfully requested.

Respectfully submitted,

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